

Talking Points for Meeting with DPNR

Angel's Share Fungus Related to Rum Warehouses in USVI

- **Jan 12, 2009** - St. Croix Renaissance Group, LLP (SCRG) notifies EPA Region 2 that SCRG is accepting a new tenant, Diageo USVI, Inc., at SCRG's industrial park. The new tenant will construct a new 80,000 PGD (proof gallons per day) Diageo USVI, Inc. Rum Production Distillery facility. All rum produced at this distillery will be stored at a new warehouse belonging to Diageo that will be located off the SCRG property. The Diageo USVI Rum Warehouse Storage Facility will be located the junction of West Airport Road and Road 64 (Melvin H. Evans Highway).
- **Jan 23, 2009** - Alliance Environmental Group, Inc, a consultant for Diageo, requests VIDPNR to issue a concurrence with their interpretation that VOC fugitive emissions from the proposed rum warehouse do not count towards the "potential to emit" from this proposed facility.
- **April 8, 2009** – VIDPNR requests guidance from EPA regarding the above issue.
- **April 23, 2009** – EPA informs VIDPNR that after reviewing the facts of this case, AP-42 technical background information and a similar determination made by EPA Region 5 in Indiana, EPA Region 2 has concluded that the ethanol emissions from the proposed Diageo off-site warehouse can be considered fugitive emissions, and as such, should not be considered in the "potential to emit" from the warehouse itself.
- **Nov 2009** – VIDPNR prepared a draft "synthetic minor source" permit for the Diageo Distillery which was reviewed by CEPD. A "synthetic minor" is a source that has equipment capable of emitting like a "major stationary" source but has permit limits that restricts the emissions to "minor source." In order for these permit limits to be valid they must be "federally enforceable." One requisite for "federal enforceability" is that the permit limits must undergo public review. VIDPNR had indicated that their minor source permit rules do not require public review. EPA advised VIDPNR to go ahead and public notice the draft permit.
- **2010 thru 2011** – Synthetic minor permit issued by VIDPNR, 700 Plus tons of VOC (Ethanol) from the warehouse area are considered as fugitive emissions; the warehouse is situated away from the actual distillery at SCRG, and adjacent to the Cruzan Rum distillery, greatly increasing the fugitive emissions to the west end of St. Croix.

- **2012 thru 2014** – DPNR and EPA receive multiple complaints from residents in Williams Delight and Enfield Green et. al., concerning a "black sooty growth" covering structures downwind and in close proximity of the rum-aging (in wood barrels) warehouses. EPA sends tape samples of the growth to CDC, they conduct a microscope study and "unofficially" identified the tape-sampled spores as consistent with (though not conclusive) fungi *Baudoinia sp.* (i.e., angel's share fungus). Although the black fungus is thought to not present any health problems from studies in the U.S., this may not translate to the conditions in St. Croix where the weather conditions and the prevalent use of roof-fed catchment cisterns is prevalent. EPA informs DPNR that VIDOH may be able to request a Health Consult from CDC to answer the potential health effect concerns raised by the residents. DPNR has issued letters to both Diageo and Cruzan to address the nuisance aspect of the fugitive emissions, status of the response is unknown.